

on some sections on this route. Works to generate additional capacity on those sections are in progress, and on their completion introduction of an additional train will be considered.

12 NOON

**Re. A POINT OF PRIVILEGE**

SHRI I. K. GUJRAL (Delhi) : Before you pass on to the next item I rise on a point of privilege. I think that the utterances of the hon. Shri Bhupesh Gupta on the floor of this House were derogatory to the House and I request . . .

SHRI BHUPESH GUPTA (West Bengal) : Sir, I rise on a point of privilege also.

*(Interruptions)*

MR. CHAIRMAN : What is it ?

SHRI I. K. GUJRAL : Sir, I must humbly beg to submit that the utterances of the hon. Shri Bhupesh Gupta have breached all the privileges of parliamentary practice. He has made utterances which do not conform to the decorum of the House and I submit that these be expunged.

MR. CHAIRMAN : I am afraid I will not expunge anything; then I will have to expunge half the proceedings of the House on some days.

**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE**

**DECISION OF STC TO RAISE NEWSPRINT PRICES AND THE SHORTAGE OF NEWSPRINT**

SHRI A. D. MANI (Madhya Pradesh) : Sir, May I have your permission to call the attention of the Minister of Commerce to (i) the reported decision of the State Trading Corporation to enhance the price of newsprint stocks procured before devaluation to the level of prices prevailing after devaluation, and (ii) the shortage of newsprint in the country ?

THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH) : Sir, the STC deals with the import of newsprint from East European countries and some part of the imports of newsprint from other sources, mainly for the small and medium newspapers and to maintain a buffer stock against any emergent requirements. The remaining imports are done by the Actual Users, namely, the bigger newspapers.

At the time of the devaluation, the STC had about 5321 metric tonnes of newsprint reels in stock and arrangements made for import of another 25,000 metric tonnes up to the end of this financial year. Immediately on devaluation, there was a very heavy rush of demand on the stocks held by the newspaper industry. If that demand were to be met in full, subsequent emergent requirements of the newspaper industry would have been difficult to meet as replenishment could not be had as quick as such offtake. Accordingly, the STC had consultations with the Registrar of Newspapers as well as the top representatives of the Indian Eastern Newspaper Society so as to evolve a solution.

As a result of this discussion, the STC decided to average out the value of the existing stocks of newsprint obtained before devaluation at the pre-devaluation prices with the value of the further stocks expected to be imported by the STC till 31.3.1967 at the post-devaluation prices, and to sell both the existing stocks and the newsprint to be further received in future at that average price. In arriving at such an average price, no provision was made or kept for any additional margin for the STC. The decision means that, after the devaluation, the consumers of newsprint, namely, the newspaper industry, would get the newsprint till the end of this financial year at the same price irrespective of the releases being from the available stocks or from new arrivals, and that average would be somewhat lower than the post-devaluation price of new arrivals as such. As regards the newsprint sheets, which are used by the small newspapers, the stocks in hand at the time of devaluation would be sold at the pre-devaluation sale price.

With regard to the second question raised, the indigenous production of newsprint is 30,000 metric tonnes from the

NEPA Mills, Madhya Pradesh, and that meets only 20 per cent of the newsprint requirements of newspapers and periodicals is estimated even on a conservative basis. Accordingly, 80 per cent of newsprint requirements is imported within the limits of foreign exchange availability.

Before devaluation, for the financial year 1966-67, a ceiling on such imports of newsprint from various sources had been set at about 116,000 metric tonnes (including 7,000 metric tonnes on account of backlog of the previous year). Following devaluation, a further allocation of 2 million US dollars or Rs. 1 crore and 30 lakhs, has been made against U.S.A.I.D. Non-project loan for import of another 13,000 metric tonnes. If all the imports thus provided for actually materialise, they would actually amount to about 1,29,000 metric tonnes, the highest so far imported by India for the newspaper industry.

Amongst the various sources, in respect of the rupee payment countries the STC has already entered into contracts for import during this financial year of 45,000 metric tonnes from the Soviet Union and 6,000 metric tonnes from Czechoslovakia and 25,000 metric tonnes from Canada. Loans have also been issued in respect of imports against U.S.A.I.D. Non-Project Loan and Colombo Plan Aid.

SHRI A. D. MANI : Sir, may I ask the Minister whether the statement that he made in reply to Part I means this that only the average price on the basis of the stocks that the STC has and the stocks which are expected shortly would be charged to the newspapers ? But in actual practice the newspapers are being charged the full value which would be there as a result of devaluation, namely, 57 per cent more. May I know whether his attention has been drawn to this that it is not the average price which is being charged but the devalued price which amounts to profiteering in newsprint by the STC ?

SHRI MANUBHAI SHAH : That is not a correct statement of fact. If the hon. Member can point out that any newspaper unit has been charged at a higher rate than the average rate we shall adjust it in future releases.

SHRI A. D. MANI : May I ask the Minister whether it is not a fact that a part of the production of the NEPA Mills is imported, namely, the chemical pulp and as a result of devaluation whether he has had any assurances that the price of NEPA Mills newsprint would not be put up on account of the increased cost of the foreign exchange component ?

SHRI MANUBHAI SHAH : I cannot give any such assurance because the imported content of the raw material has to be paid for by the consumer.

SHRI D. THENGARI (Uttar Pradesh): Instead of 1,16,000 metric tonnes we have now raised the ceiling to 1,30,000 metric tonnes but still the difficulties continue. The big newspapers offset the enhanced prices by a surcharge on advertisements but the mofussil papers or the language papers with small circulation cannot adopt this measure. May I know in what way the Government proposes to subsidise these small papers or the language papers so that they can overcome this difficulty ?

SHRI MANUBHAI SHAH : On the question of subsidisation of small papers, there is already a Small Papers Committee which has gone into this matter and the recommendations of the same are under the consideration of the Information Ministry. Whether it takes the shape of one type of assistance or the other I cannot just now say in advance.

SHRI N. P. CHATTERJEE (West Bengal) : Will the hon. Minister enlighten this House on this ? Newspapers are absolutely necessary in the life of our country. Now in view of devaluation and in view of the raised prices of newsprint imported from outside, has the Ministry any scheme for the purpose of manufacturing newsprint in public sector in India so as to meet the needs of the newspapers of the country ?

SHRI MANUBHAI SHAH : Yes, Sir. There are schemes both in the public and in the private sector but as the House is aware these efforts for the last ten years have not yielded very fruitful results for the simple reason that we do not have the cedar and long staple palm wood which are required for the newsprint industry.

DR. S. CHANDRASEKHAR (Madras) : I am not sure if I have understood the answer to Part I of the question correctly. The hon. Minister mentioned that the old stocks received before devaluation and the new stocks to be received later will both be put together and the price would be averaged. I am not sure I understand the reasons behind this policy because if the imports which are to come later are much smaller in amount than the stocks that are already held by the Corporation the price is going to be so high that it will adversely affect the newspapers. Secondly with the tremendous importance of newspapers and the role they play, particularly in the months to come when we shall have a battle of words for the elections when each party's programme has to be given the widest publicity since the radio does not reach all the people, I think there must be some efforts made on the part of the Government to increase the availability of newsprint either manufactured in India or to be imported and to provide special quotas for this purpose. And, thirdly, if I may ask the Minister, while we are all anxious to protect the small newspapers, which do not get much revenue from advertisements and which do not have a large circulation there is also need for protecting the large newspapers which are in the habit of bringing out all sorts of supplements, features, short stories, political analyses by commentators and all sorts of things. The big newspapers should also receive proportionately larger newsprint and there should be no discrimination in the matter. I will be grateful if the hon. Minister will consider this.

SHRI MANUBHAI SHAH : I should have a tape record of the hon. Member's questions, because he has clubbed together so many questions that I cannot remember all of it. His main question seems to be, if I may analyse them, on what principle, on what basis the averaging has been done. There are three elements in the matter. One is the stock held by the STC at the pre-devaluation price. Secondly, some of the goods have been received, but their documents have not been negotiated and where under international arrangements we have got to pay a higher price and that part of the element of cost must be added. Thirdly, there are stocks which are coming after devaluation. That may be at an

increased price of 57.5 per cent. All these three elements were put together and the averaging was decided by the newspaper industry and the Government for the simple reason that some people were more fortunate to get their quotas delivered earlier and a few were to get their quota later on. Now, under the normal practice it was felt that those who were fortunate to get their quotas immediately delivered before devaluation should not be put at a premium or advantage over the other newspapers whose quota was to come a little later. Therefore, in fairness to the entire newspaper industry and with the full consent of the industry the averaging has been done and this covers the old stocks. Then, the second question was whether efforts are being made to make liberal allocations. I have already said that an extra Rs. 1.30 crores worth of newsprint has been allotted to the newspaper industry in order to liberalise it. In view of the coming important events in the country new allocations are being made for that purpose.

श्री जगत नारायण (पंजाब) : क्या वजीर साहब की नालेज में यह आया है कि डिबेल्डूएशन के बाद स्माल न्यूजपेपर्स को जो क्वाटेंट्रल या सिक्स मन्थली कोटा मिलना था वह कोटा भी पूरा नहीं मिला। कई अखबारों को एडवॉन्स कोटा भेजे गये हैं लेकिन कईयों को बिलकुल नहीं मिला है। तो छोटे अखबारों को बड़ी मुश्किल हो रही है क्योंकि उनको बाजार से खरीदने में बहुत महंगा मिलता है। तो क्या वजीर साहब यह देखेंगे कि डिबेल्डूएशन की वजह से यह जो कोटा नहीं इश्यू हो रहा है, और जब कि उनके पास इतना स्टॉक पड़ा हुआ है, वह उनको दिया जाय।

श्री मनुभाई शाह : उतना कोटा जो उनको मिल रहा है वह नयी इम्पोर्ट पॉलिसी के माफिक हर एक छोटे या बड़े न्यूजपेपर को मिलने वाला है और वह पूरा किया जायेगा, कई एक को डाइरेक्टली एक्चुअल यूजर्स लाइसेन्स के द्वारा, कई एक को स्टॉक्स से अलाटमेंट द्वारा और कई एक को नये स्टॉक

के द्वारा। मैं मेम्बर साहब को यह एक्सप्लेन दे सकता हूँ कि इसमें कोई फिक्र करने की जरूरत नहीं है। अगर कोई तकलीफ हो तो वे हमको लिख कर दें, उनको नया कोटा भेज देंगे। नयी पालिसी के मुताबिक पूरा कोटा दिया जायेगा।

SHRI BHUPESH GUPTA (West Bengal) : In the matter of distribution of quota and allotment certain difficulties arise because some of the Ministers favour some papers and not others.

AN HON. MEMBER: No.

SHRI BHUPESH GUPTA : Yes, I will show it. Here I have got the "Current", which is the bulkiest "Current", of May 14, with the compliments of the Chief Minister of U.P., which has been circulated to Members of Parliament by the U.P. Chief Minister and here I have got the cover addressed to Shri Z. A. Ahmad, with the compliments of the Information Officer, Government of U.P. Now, here is conclusive documentary proof as to how the U.P. Government or the Chief Minister buys "Current" and distributes it with compliments from the Chief Minister to Members of Parliament. Now, Sir, this is how they favour certain papers. It is very interesting that the Chief Minister of U.P. is buying the "Current" ...

MR. CHAIRMAN : Everybody according to his taste.

SHRI BHUPESH GUPTA : But if the person pays for it I have no quarrel. That is why I got this. The Information Officer, Government of U.P. sends it on Government Service. Therefore, the paper evidently has been bought by her from the money from the exchequer and posted at the cost of the exchequer. Therefore, this kind of patronage shown to a particular paper ...

MR. CHAIRMAN : The price of newsprint is the subject of the question.

SHRI BHUPESH GUPTA : This is printed on newsprint.

MR. CHAIRMAN : You do not know at what price it was purchased or for how much he got it. So, it is **not** relevant.

SHRI BHUPESH GUPTA : Now, you can understand it, Sir. I know, Sir, that you are a very straightforward man, you are an honest man and you will not understand the difficulties in this wide world in which we live. You are absolutely honest. How can you understand this kind of thing in this wide world ? Now, here is the Chief Minister patronising a paper, freely circulating it and buying it with Government money. They get more newsprint quota. It is a bulky paper. I do not know how many pages. Therefore, I say whether the Government would take ...

श्री रामकुमार भुवालका (पश्चिमी बंगाल) : यह पेपर सबको नहीं मिलता है। हमको भी नहीं मिलता है।

SHRI BHUPESH GUPTA : Now, Sir, I would like to know whether the Government would see to it (hat it does not specially favour any paper, but distributes the quota and other things evenly and equitably, especially when there is a shortage. As far as this matter is concerned, he can **investigate it**.

SHRI MANUBHAI SHAH : We do not favour any paper.

DR. S. CHANDRASEKHAR : Sir, may I ask ...

MR. CHAIRMAN : You have already put three questions.

SHRI A. D. MANI : About the shortage of newsprint in the country—it is relevant to part (ii) of the question, may I know whether he is aware of the fact that the STC has taken up the extraordinary stand that when it has released the stock, it is not its responsibility to put it on rail and in wagons and that newspapers should make their own arrangements for taking them from Bombay and Calcutta. It is on account of the fact that the Railway Ministry has given a low order of priority that the STC has now taken the stand. You take your newsprint from Bombay and Calcutta and take such steps as you consider necessary to move them to your centres. This is not the normal trade practice. May I ask the Minister whether he is aware of the fact that newspapers in **Bhopal and**

[Shri A. D. Mani.]

Indore are on the brink of being closed down because the STC has not been in a position to send the requirements of newsprint to these papers ?

SHRI MANUBHAI SHAH : It is quite a technical question unnecessarily raised by my hon. friend. The main point is that it is in the interests of the newspapers themselves to arrange for their own transport, road transport, motor transport or any other form of transport. Instead of depend-in" upon the STC who just supply the paper with newsprint, it is to the advantage of the industry to make its own arrangements for transport.

DR. S. CHANDRASEKHAR : I want the hon. Minister to enlighten me.

MR. CHAIRMAN : Please be brief.

DR. S. CHANDRASEKHAR : If I remember correctly, he said Rs. 1.30 crores worth of extra newsprint would be imported. Is it for the next financial year ? Is it for 1966-67 ? If so, on what pattern is this newsprint going to be distributed among the large, established newspapers and the small newspapers ? Is it on the pattern on which distribution is being done now ?

SHRI MANUBHAI SHAH : Now, Sir, recently the new import policy was announced by the Government and it would be strictly in accordance with the new policy for 1966-67 relating to the distribution of newsprint.

SHRIMATI TARA RAMCHANDRA SATHE (Maharashtra) : Sir, . . .

MR. CHAIRMAN : Unless you have something very important, I would like to pass on to the next item.

SHRIMATI TARA RAMCHANDRA SATHE: We find in the market some books printed on newsprint and they say that it is printed on scrap. Is there some percentage of newsprint allotted which is called as scrap and will the Governmec: look into the matter and let us know ?

SHRI MANUBHAI SHAH : It is a very old and ancient matter which has been

raised. The newspaper industry has gone into it. Several technical examinations have been made and it has been accepted by the industry and the Government. On that basis wastage is allowed.

#### PAPERS LAID ON THE TABLE

##### ANNUAL REPORT AND ACCOUNTS (1965) OF THE EXPORT CREDIT AND GUARANTEE CORPORATION LTD., BOMBAY AND RELATED PAPERS

THE MINISTER OF COMMERCE (SHRI MANUBHAI SHAH) : Sir, I beg to lay on the Table a copy each of the following papers, under sub-section (1) of section 619-A of the Companies Act, 1956 :—

- (i) Eighth Annual Report and Accounts of the Export Credit and Guarantee Corporation Limited, Bombay, for the year ended the 31st December, 1965, together with the Auditors' Report on the Accounts.
- (ii) Review by Government on the working of the Corporation.

[Placed in Library. See No. LT-6756/66 for (i) and (ii).]

##### (i) THE EXPORT OF PESTICIDES (INSPECTION) RULES, 1966

##### (ii) THE EXPORT OF RUBBER GLOVES (INSPECTION) RULES, 1966

SHRI MANUBHAI SHAH : Sir, I also beg to lay on the Table a copy each of the following Notifications of the Ministry of Commerce, under sub-section (3) of section 17 of the Export (Quality Control and Inspection) Act, 1963 :—

- (i) Notification S.O. No. 2149, dated the 19th My, 1966, publishing the Export of Pesticides (Inspection) Rules, 1966.
- (ii) Notification S.O. No. 2154, dated the 19th July, 1966, publishing the Export of Rubber Gloves (Inspection) Rules, 1966.

[Placed in Library. See No. LT-6666/66 for (i) and (ii).]